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Summary

Agriwatch expects that Maize would trade steady to slightly weak as expectation of new crop arrivals in coming weeks would weigh on market sentiments. However, continuous demand from domestic and global feed makers would support the market at the lower level.

New crop arrivals in small quantities have started in the Haveri districts of Karnataka and some parts of Andhra Pradesh and some early crop arrivals in Bihar. In Telangana, around 20% crop has been harvested but farmers are not bringing their produce into the market on the expectation of procurement by the Government. In A.P and Bihar, maize arrivals contain moisture up to 17% and 15% respectively.

All India's weekly average prices of wheat increased by percent to Rs. 2020.13 per quintal during the week ended 15th Apr 2021. Wheat average prices were ruling at Rs 1953.60 per quintal during 09th–15th Apr 2020. Due to the arrival of new crop in mandis and demand from upcoming marriage season, wheat may trade steady to slightly firm in coming weeks.

Cotton seed rates were firm and remained near Rs 750 per 20 kg previous week. Cotton seed oilcake prices have increased in the previous week by 4-5 percent. The average price of cotton seed oilcake has increased in Kadi at Rs. 2595 per quintal from Rs. 2480 per quintal and in Akola were at Rs. 2557 per quintal from Rs. 2458 per quintal previous week.

The domestic soybean and soymeal surged on strong soymeal export sales and increase in the edible oil prices at the retail level.

The soybean plant delivery price at Indore is quoted up by 8% at Rs. 6,375/qtl compared to Rs. 5,930/qtl last week. There are no prices to compare for soybean during the same period due to imposition of lockdown restrictions.

Besides, the rapeseed-mustard and rapeseed oilcake rebound after mild losses in recent past, good demand for the seed from oilseeds' crushers supported the prices at the higher levels. The newly harvested rapeseed-mustard arrivals are at the good pace in the market.

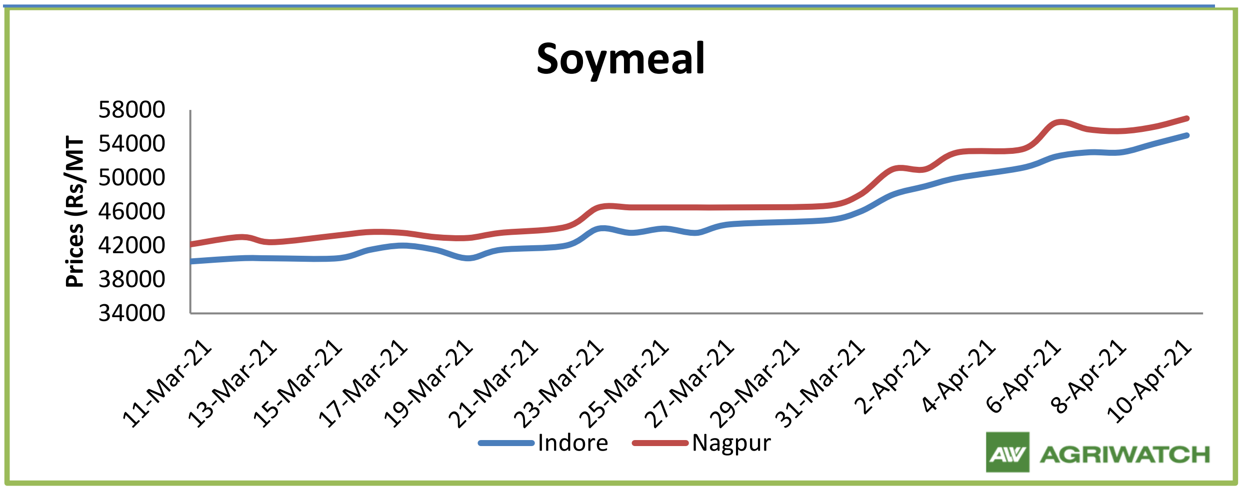
However, the groundnut seed continued downtrend after rally in recent while. We feel the prices to recover after the correction on persistent overseas demand in the groundnut seed and groundnut oil, mainly from China.

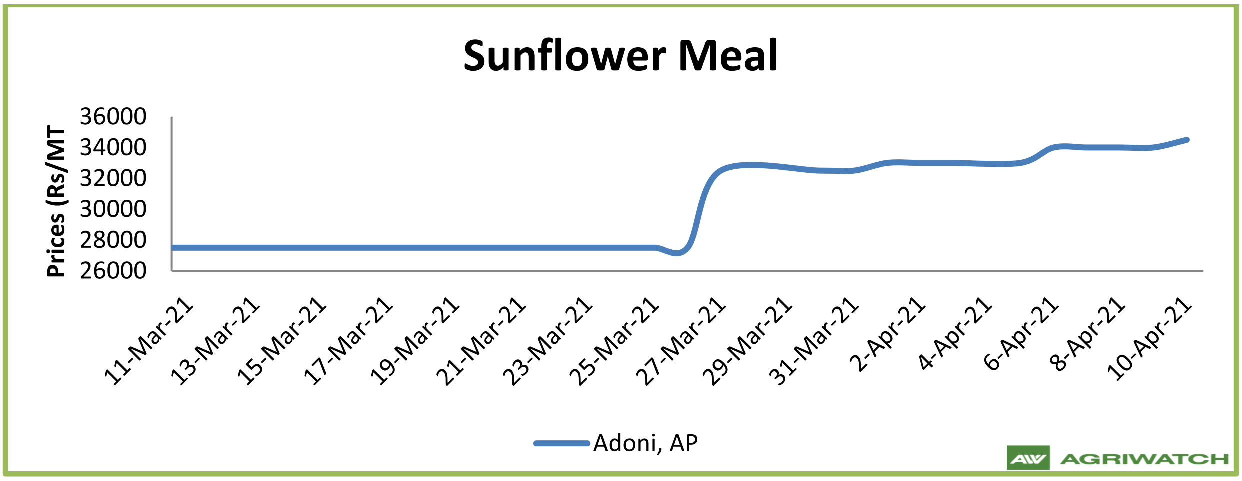
The rapeseed-mustard prices improved by +6% while rapeseed oilcake increased by +4%, soybean surged by +8% and soymeal posted gains by +13% while groundnut seed eased by -1%, all compared to the previous week's level.

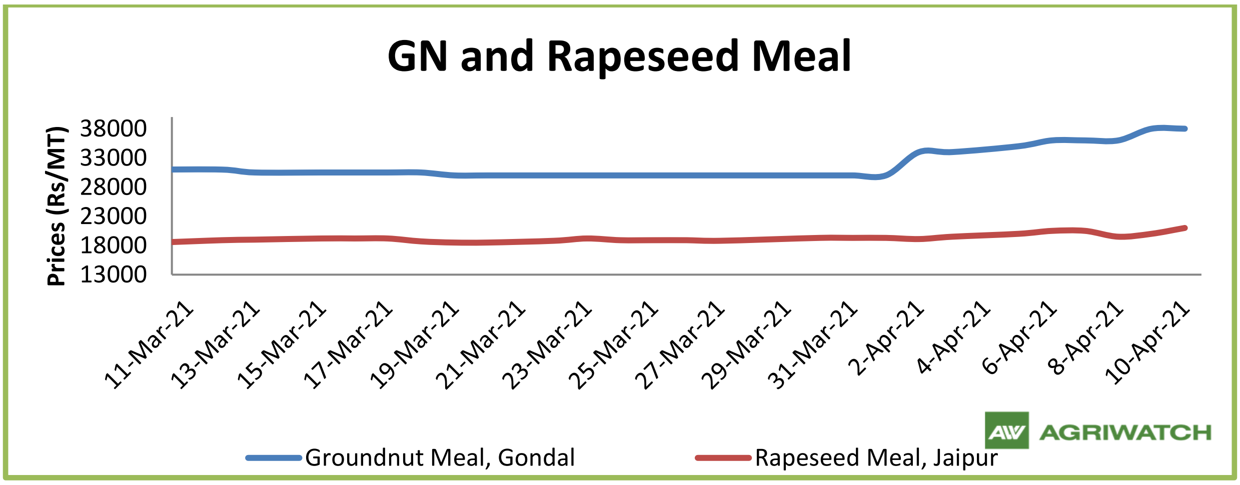
We feel the soy and rapeseed-mustard complex to remain bullish on strong overseas soymeal and rapeseed meal demand and overall strong international soy complex.

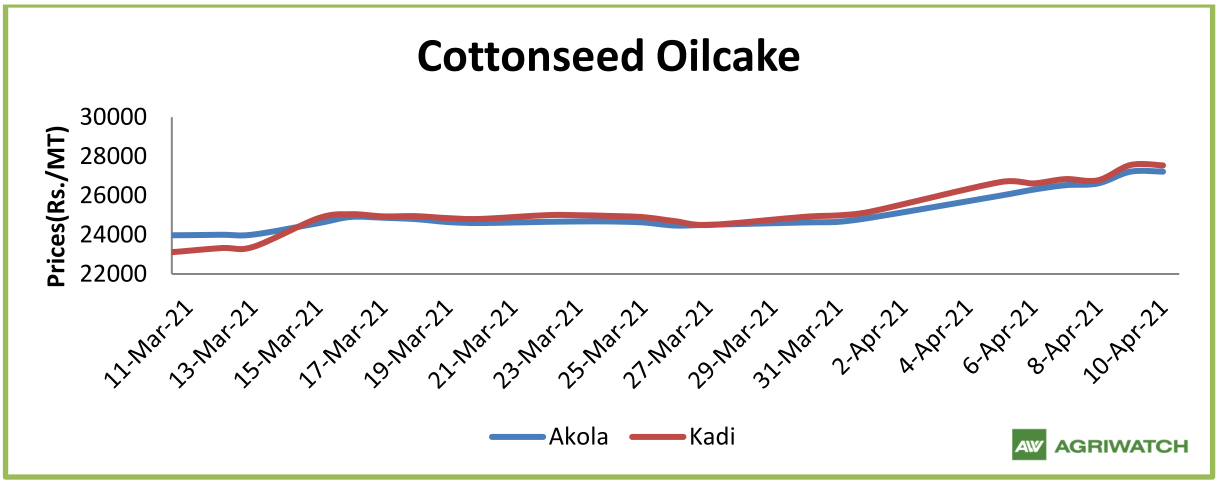
Bullish global soybean outlook will continue to support the soy prices at higher level in medium-term. Besides, groundnut prices will also feature range-bound movement with firm bias in coming days, on bullish outlook following good overseas demand for Indian seed.

Trend – Raw Material, Feed









Source: AgriWatch

Soy meal

The domestic soymeal surged by +13% in sync with gain in the soybean mainly supported by persistent overseas soymeal export sales from India and spillover support from the international soy complex. The near-term outlook for the market remains bullish.

May soymeal futures settled $ 5.60 lower at $ 401.20 per short ton but the prices are above recent years on better demand.

World 2020/21 soymeal production is estimated slightly down at 253.3 million tonnes vs 254.14 million tonnes in its previous estimate by USDA, in its April report.

Higher 2021/22 US soybean planting estimates in the prospective planting report on March 31 indicates higher availability of the bean and subsequently meal if the crop yield stands at normal.

Robust Chinese soy demand, lower than expected soybean production estimates in US and Argentina will remain bullish for soymeal for some more time.

The gains in local soymeal will be supported by the strong and continued overseas soymeal demand of Indian origin.

India's February 2021 soymeal exports improved by +404% to 24,7085 metric tonnes compared to 48,990 metric tonnes in the same period last year. Further, the soymeal shipments improved by +115% to 14,18,454 metric tonnes in aggregate, during the last ten months (Apr.-Feb.) of financial year 2020-21 compared to 66,0065 metric tonnes during the corresponding period last year.

India's export of oilmeals for the month of February 2021 is reported at 39,33,09 metric tonnes compared to 12,8761 metric tonnes in February 2020 i.e. up by +205%.

The overall export of oilmeals during April to February 2021 is also reported up by +49% at 33,58,649 metric tonnes compared to 22,56,641 metric tonnes during the same period last year.

Of the total soymeal exports of 66,00,65 metric tonnes in February 2021, US, Germany and Indonesia remained to top buyers with imports figures touching 2,14,889 metric tonnes, 14,2098 metric tonnes and 12,22,24 tonnes respectively.

India's exports for rapeseed meal during April-February 2021 was up +18% at 10,28,745 metric tonnes compared to 87,2077 metric tonnes during the same period previous marketing season.

The export of rapeseed meal in February'21 is reported at 37,790 metric tonnes against last year 32,880 metric tonnes during the same period i.e. up by +15%, and ricebran extraction exports is reported at 8,55,23 metric tonnes against last year 25,836 metric tonnes i.e. +231% higher compared to the same period last year.

However, the domestic demand has considerably recovering but still below pre-COVID levels. Poultry industry contributes more than 60% of the total domestic soymeal demand.

The international soymeal prices are getting competitive after rains in South America, improving the soybean crop prospect. The soymeal export price spread of India vs Argentina (FAS Kandla and FOB Argentina) have once again widened to US $ 163/MT in March'21 vs US $ 76/MT in February'21, creating in competitiveness for Indian soymeal.

The domestic weekly average soymeal prices at Indore improved to Rs 51,450/MT and was quoted between Rs 49,000 – 53,000/MT compared to the weekly average of Rs 45,400/MT and was traded between the price ranges of Rs 43,500 – 48,000/MT previous week.

At Latur the weekly average soymeal prices improved to Rs 55,000/MT compared to Rs. 50,000/MT a week ago and in Nanded too it was quoted higher at Rs. 54,183/MT compared to Rs. 47,400/MT a week ago. Besides, in Kota, the meal improved to Rs. 52733/MT compared to Rs. 47,180/MT previous week.

India's Y-o-Y soy meal prices, Indore, are currently higher. Soy meal Indore was quoted higher between Rs 49,000– 53,000/MT during the week compared to Rs 33,500 – 34,000/MT during the corresponding period last year.

The soy meal prices (Indore) are likely to feature range-bound movement between Rs. 55,000 – 60,000/MT on cases strong overseas soymeal demand.

Rapeseed - Mustard Seed

Rapeseed-mustard rebound, as expected, on good buying support and spillover support from higher soybean.

In Jaipur, RM seed prices witnessed gains by +6% to the weekly average price of Rs 6,147 a quintal from Rs 5,821 a quintal previous month.

The all-India rapeseed-mustard arrivals improved week-on-week and were reported at 52.50 lakh bags during the week compared to around 24.80 lakh bags, previous week.

NAFED has commenced procuring the rapeseed-mustard and has procured 0.03 MT of rapeseed-mustard valued Rs 0.014 Lakh from Madhya Pradesh at MSP (Rs 4650/qtl) under PSS. However, the procurement couldn't pick-up the pace in last one week.

We also expect the federation's intervention in Rajasthan and Uttar Pradesh in due course and expect the procurement process to gain momentum in due course.

AW has revised India's 2021/22 rapeseed-mustard production up to 8.54 million tonnes from 8.0 million tonnes estimated in its previous forecast and it is up 18% from 7.21 million tonnes estimated last season.

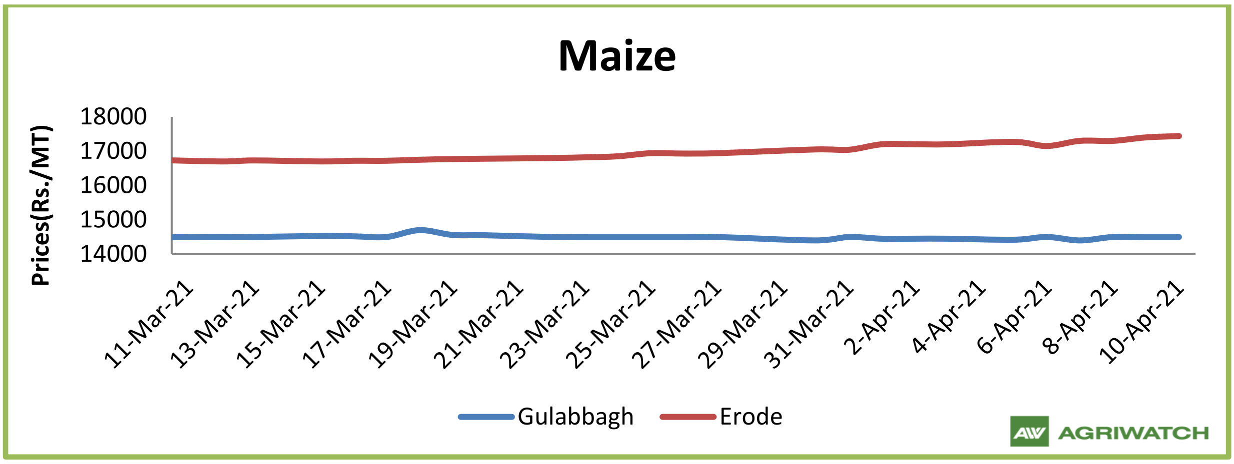
Furhter, the rapeseed oilcake improved by +4% to the weekly average price of Rs. 2,502/qtl compared to the the weekly average price of Rs. 2,398/qtl previous week.

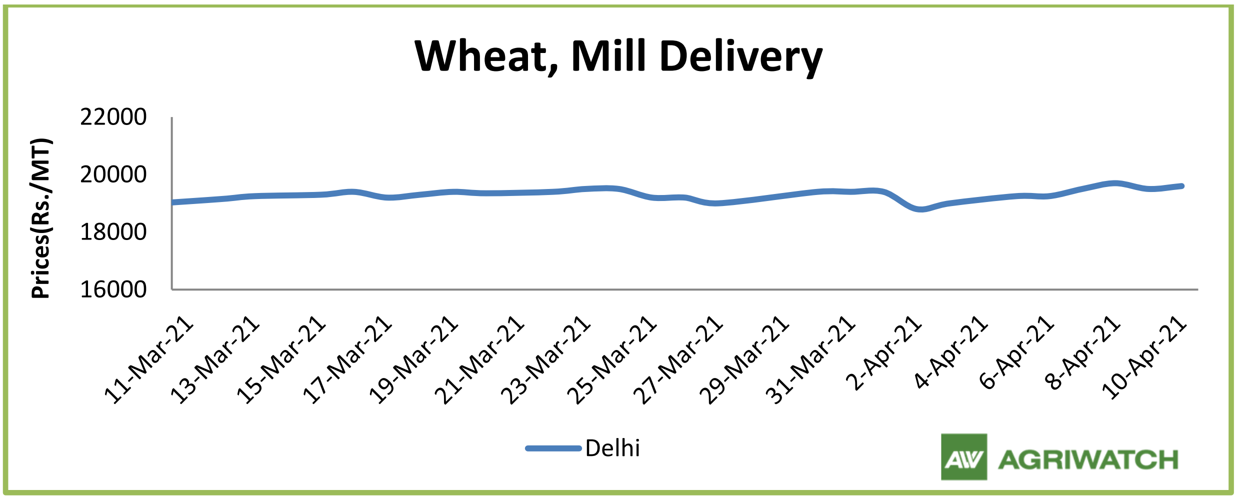
India has not imported any rape oil (canola) in Febuary too as in last several months. India is unlikely to import the rape oil in coming months too. Lower imports in rape oil (canola) will lend support to the local rapeseed-mustard prices at the higher levels.

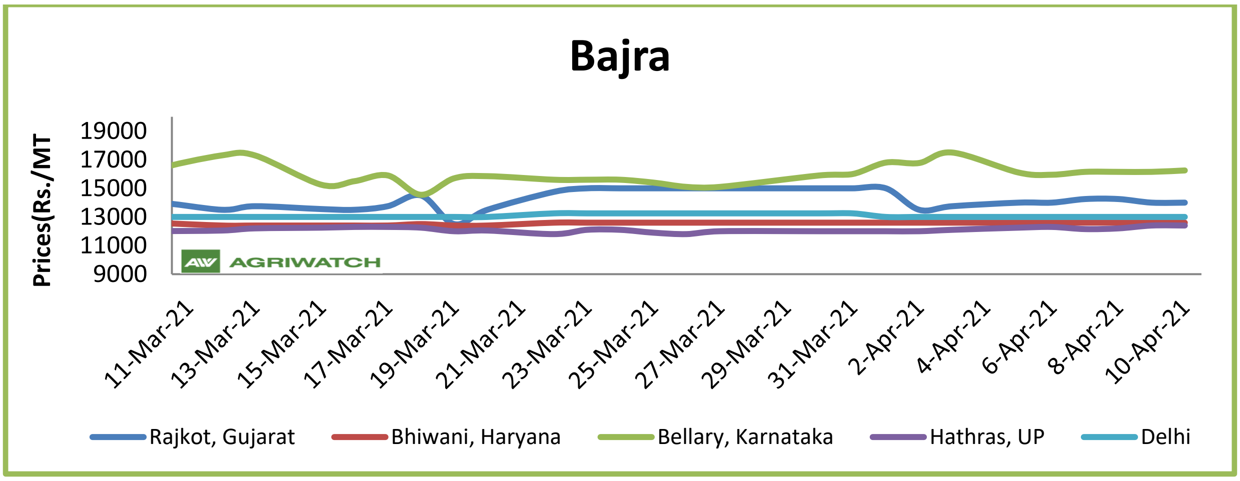
However, India's rapeseed meal exports in February'21 is reported at 37,790 metric tonnes against last year 32,880 metric tonnes during the same period i.e. up by +15%. We expect March export figures to be higher by +20%.

Besides, India's exports for rapeseed meal during April-February 2021 was up +18% at 10,28,745 metric tonnes compared to 87,2077 metric tonnes during the same period previous marketing season.

At NCDEX futures, the May contract of rapeseed-mustard ended up at 6,205/Qtl compared to 6,135/Qtl previous month.







Source: Agriwatch (Prices: Maize-Industrial/Feed Grade. Wheat-Mill Delivery: Narela Market, Delhi)

Agriwatch expects that Maize would trade steady to slightly weak as expectation of new crop arrivals in coming weeks would weigh on market sentiments. However, continuous demand from domestic and global feed makers would support the market at the lower level.

New crop arrivals in small quantities have started in the Haveri districts of Karnataka and some parts of Andhra Pradesh and some early crop arrivals in Bihar. In Telangana, around 20% crop has been harvested but farmers are not bringing their produce into the market on the expectation of procurement by the Government. In A.P and Bihar, maize arrivals contain moisture up to 17% and 15% respectively.

Sources revealed that Hyderabad poultry feed makers are buying Maize at Rs.1,600 per quintal; sourced from Telangana. Tamil Nadu feed makers are buying maize at Rs. 1,720-1,730 per quintal, sourced from Karnataka. Maize is moving towards Krishnapatnam port at Rs. 1,690 per quintal; sourced from the Chitradurga region of Karnataka. Low- quality Maize is moving towards Banaras and Muzaffarnagar districts of U.P at Rs. 1,400 and Rs. 1,500 per quintal, respectively, while, good quality of maize is moving towards Kolkata at Rs. 1,500 per quintal; sourced from Bihar.

Agriwatch's first advance estimate for the Maize production in 2020-21 Rabi season is 6.41 MMT with average yield of 3.74 MT per hectare. Sources revealed that in Aurangabad and Jalgaon districts of Maharashtra, quality of around 25% crop of maize could be affected due to rains over last three weeks.

Corn on CBOT rose by 6.89 USD/MT to 227.25 USD/MT for May'21 contract compared to previous week. Agriwatch expects that increase in export demand for U.S. Maize in near term would support to CBOT Maize.

At 2.05 MMT (for the period March 26- April01, 2021) U.S. Maize exports were up 4 percent from the previous week and6 percent from the prior 4-week average; mainly for the destinations like China (5,78,500 MT), Mexico (4,73,600 MT), Japan (3,66,100 MT), South Korea (2,42,500 MT), and Colombia (1,20,400 MT).

All India's weekly average prices of wheat increased by percent to Rs. 2020.13 per quintal during the week ended 15th Apr 2021. Wheat average prices were ruling at Rs 1953.60 per quintal during 09th–15th Apr 2020. Due to the arrival of new crop in mandis and demand from upcoming marriage season, wheat may trade steady to slightly firm in coming weeks.

The government has procured 13.23 lakh tonnes of wheat as of 10 April in the new procurement season. The procurement has started only in Rajasthan, Gujarat, and Madhya Pradesh. It is likely to pick up pace as it takes off in Haryana, Maharashtra, Uttar Pradesh, and Uttarakhand from April 1. Punjab's procurement has been delayed to April 10 due to a spike in Covid-19 cases in the state. Last year also, Punjab had delayed procurement for ten days due to the pandemic.

A dust storm followed by rain hit several Punjab Tuesday night areas affecting standing crops over 11,645 hectares in at least four districts. The storm is likely to hit crop yield in the affected area by 2 to 3%. According to the Department of Agriculture, the districts where the crop has been affected are Ludhiana, Fatehgarh Sahib, Bathinda, and Mohali. This damage is to crop covering 0.33% of the total area under wheat in Punjab, said the report. In Ludhiana, the damage is the maximum around 6,275-hectare area under wheat the yield might be affected by 1 to 1.5%in this area.

The Haryana government has relaxed procurement norms allowing farmers to bring their produce to mandis without schedule but most wheat reaching in the grain markets do not fit the procurement guidelines. Farmers reaching the mandis said that procurement agencies did not procure their produce due to higher moisture content and wheat crop is being scattered in mandis to bring down the moisture content to the permissible limit of 12%.

Punjab have started the wheat procurement operations late from April 10 due to the Covid-19 spike in the state. 68,963 Metric tonnes have been procured till 12.04.21. Delhi (Najafgarh Mandi) procured 30.95 metric tonnes till 11.04.21. The entire Delhi region has procured 180.18 metric tonnes of wheat. Rajasthan procured 60,268 metric tonnes till 10.04.21. Haryana procured 82,000 metric tonnes till 10.04.21.

As per the interactions with farmers 60-70% of wheat was harvested before bad weather hit the area. Color and shine of 30-40% crop standing in the field got deteriorated, which would lead to 30-40% losses on selling price for farmers. Secondly, logging due to rain increased the labour cost for harvest since logged and wet wheat on field cannot be harvested by thresher or combine harvester. Due to harvesting of wet wheat its grain temperature increases, which leads to allocation of less rates to farmers.

As per trade sources, India has exported around 3.70 lakh tonnes Wheat in the month of February-2021 at an average FOB of $263 per tonnes, higher this year and the major destinations were Bangladesh, Malaysia, Oman, Qatar and Nepal. Exports are likely to be at higher side as other countries are providing wheat at higher prices. High export will be going to support the domestic market in near term.

Wheat prices fell across all major exporting countries since last month's WASDE with improved winter wheat conditions in several key production regions. Furthermore, some importers are delaying purchases awaiting the upcoming harvest in anticipation of lower new crop prices. The biggest reduction over the past month has been for Russia, where crop prospects have improved and export quotes have eased amid the current export policies, including the announcement of floating taxes for the new crop year. Its quotes are currently the most competitive. EU quotes have also eased and remain slightly above Russia. Argentine quotes have fallen modestly with slowing farmer sales. Australian quotes have edged somewhat lower with new supplies but remain supported by strong demand from Asian markets. Quotes from Canada are currently the highest among major suppliers.

Outlook: Feed prices are expected to trade steady to slightly firm as overall feed ingredients prices traded steady to firm during last week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	08-Apr-21	02-Apr-21	Parity To
Indore - 45%, Jute Bag	53000	49000	Gujarat, MP
Kota - 45%, PP Bag	55000	48500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	57000	51500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	55500	51000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	56000	50000	Andhra, AP, Kar ,TN
Latur	56000	52500	-
Sangli	54500	49500	Local and South
Solapur	54000	44500	Local and South

Akola – 45%, PP Bag	54000	48000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	56000	46500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	54800	48300	-

Soy DOC at Port

Centers	Port Price		
	08-Apr-21	02-Apr-21	Change
Kandla (FOR) (INR/MT)	NR	45000	-
Kandla (FAS) (USD/MT)	NR	650	-
CNF Indonesia – Yellow SBM (USD/MT)	NR	595	-

International Soy DOC			
Argentina FOB USD/MT	**08-Apr-21**	**02-Apr-21**	**Change**
Soybean Pellets	426	445	-19
Soybean Cake Flour	426	445	-19
Soya Meal	NA	NA	-
Soy Expellers	NA	NA	-
Sunflower (DOC) Rates	**Ex-factory rates (Rs/ton)**		
Centers	**08-Apr-21**	**02-Apr-21**	**Change**
Adoni	34000	33000	1000
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	33500	32500	1000

Groundnut Meal (Rs/MT)	08-Apr-21	02-Apr-21	Change
Basis 45%, Saurashtra	37000	33000	4000
Basis 40%, Saurashtra	34000	28000	6000
GN Cake, Gondal	36000	34000	2000

Mustard DOC/Meal	08-Apr-21	02-Apr-21	Change
Jaipur (Plant delivery)	19500	19100	400
Kandla (FOR Rs/MT)	21200	20000	1200

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	09-Apr-21	02-Apr-21	09-Mar-21	09-Apr-20	09-Apr-19
Delhi	Hybrid	1500	1500	1600	Closed	2300
Davangere	Loose	1520	Closed	1500	1400	2000
Nizamabad	Bilty	NA	Closed	1500	Closed	2050
Ahmedabad	Feed	Closed	1650	1620	Closed	2350
	Starch	Closed	1660	1625	Closed	2400

FOB, C&F – Maize at Various Destinations (USD/ton)

As on 09.04.2021	Argentina	Brazil	US	India
FOB	224.00	234.00	252.00	211.53
Cost and Freight	274.00	289.00	312.00	246.53

Soy Meal Exports (In MT):

Month	2016	2017	2018	2019	2020	2021
Jan	7707	155160	105678	86378	41726	283167
Feb	1127	207977	73816	132375	20309	
Mar	430.1	107059	39209	193920	61499	
Apr	12295	124374	68264	40829	25940	
May	10400	48900	76026	53272	46614	
Jun	17930	45975	104088	62524	56638	
Jul	12270	80797	63747	76558	61957	
Aug	10615	87668	59643	95450	58190	
Sep	12210	102212	45388	35268	68576	
Oct	31390	71425	150388	63800	120290	
Nov	97750	207630	186409	69415	198776	
Dec	241250	168865	170588	72233	251221	
Total	**455374.1**	**1408042**	**1143244**	**982022**	**1011736**	**283167**

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	09-Apr-21	02-Apr-21	Change
Bajra	Karnataka	Hybrid	Bellary	1615	1680	-65
		Hybrid	Bangalore	2000	2050	-50
Jowar	Karnataka	White	Bangalore	2650	2600	50
		White	Bellary	2115	1685	430
Maize	Karnataka	Yellow	Davangere	1520	1520	Unch

	Telangana	Yellow	Nizamabad	Closed	Closed	-
Rice	Haryana	IR8	Karnal	2900	2900	Unch
		Parmal Raw	Karnal	2550	2450	100
Soy meal	Madhya Pradesh	DOC	Indore	5400	4900	500
	Maharashtra	DOC	Sangli	5450	4950	500
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	3400	3300	100
Mustard	Rajasthan	Plant delivery	Jaipur	2000	1910	90
Groundnut Meal	Gujarat	GN Cake	Gondal	3800	3400	400
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2756	2518	238
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	2722	2487	235
Note: Prices Rs./Qtl						